

Message Text

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ACTION CU-03

INFO OCT-01 EUR-12 ISO-00 USIA-06 ABF-01 TRSE-00 L-03

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P 221433Z JUL 75

FM AMEMBASSY HELSINKI

TO SECSTATE WASHDC PRIORITY 8904

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E.O. 11652: N/A

TAGS: SCUL, PFOR

SUBJ: FINNISH INITIATIVE FOR LONG-TERM FINANCES OF EXCHANGES

REF: STATE 165235

1. MINOF HAS CONFIRMED PAYMENT WILL BE MADE IN DOLLARS AND THIS IS SPECIFIED IN REVISED TEXT. MINOF IS CALCULATING EXACT DATE AND TOTAL SUM OF PRINCIPAL AND INTEREST PAYMENT. THIS INFO WILL BE RELAYED WHEN RECEIVED. HERewith TEXT OF PROPOSED FINNISH NOTE:

" YOUR EXCELLENCY,

I HAVE THE HONOUR TO REFERE TO THE AGREEMENT BETWEEN THE GOVERNMENT OF FINLAND AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA, SIGNED JULY 2, 1952, AS AMENDED, FOR FINANCING CERTAIN EDUCATIONAL ACTIVITIES IN THE TWO COUNTRIES. I HAVE ALSO THE HONOUR TO REFER TO THE RECENT CONVERSATIONS BETWEEN REPRESENTATIVES OF OUR TWO GOVERNMENTS DURING WHICH IT WAS NOTED THAT IN RECENT YEARS, EDUCATIONAL EXCHANGE ACTIVITIES BETWEEN OUR COUNTRIES HAVE BEEN FUNDED LARGELY BY REPAYMENTS OF THE FINNISH DEBT TO THE GOVERNMENT OF THE UNITED STATES OF AMERICA, INCURRED UNDER THE ACT OF CONGRESS, APPROVED FEBRUARY 25, 1919, AND THAT THE REPAYMENT OF THIS DEBT WILL BE COMPLETED IN 1984.

DURING THE AFOREMENTIONED CONVERSATIONS THE UNDERSTANDING WAS LIMITED OFFICIAL USE

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REACHED THAT BOTH THE GOVERNMENT OF FINLAND AND THE GOVERNMENT

OF THE UNITED STATES OF AMERICA DESIRE TO ENSURE THE CONTINUATION BEYOND THE YEAR 1984 OF THE EDUCATIONAL EXCHANGE ACTIVITIES PROVIDED BY THIS AGREEMENT. CONSEQUENTLY, THE GOVERNMENT OF FINLAND PROPOSES THAT A PERMANENT BINATIONAL TRUST FUND BE ESTABLISHED, FROM THE ANNUAL PROCEEDS OF WHICH THE EDUCATIONAL EXCHANGE ACTIVITIES BETWEEN OUR TWO COUNTRIES CAN BE FINANCED IN PERPETUITY, AND THAT THE BASIC ENDOWMENT FOR THIS TRUST FUND BE DERIVED FROM THE PAYMENT IN FULL IN THE YEAR 1976 OF THE REMAINING 1919 DEBT, INCLUDING INTEREST TO DATE, BY THE GOVERNMENT OF FINLAND TO THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND FROM THE GRANTING BY THE GOVERNMENT OF THE UNITED STATES OF AMERICA OF THE TOTAL DEBT PAYMENT TO THE TRUST FUND. IN ORDER TO ACCOMPLISH THIS OBJECTIVE, IT IS PROPOSED HERewith THAT THE AGREEMENT OF JULY 2, 1952, AS AMENDED, BE AMENDED FURTHER AS FOLLOWS:

1. ADDING TWO PARAGRAPHS TO THE PREAMBLE, AS FOLLOWS:

"CONSIDERING THAT THE EDUCATIONAL EXCHANGE ACTIVITIES BETWEEN FINLAND AND THE UNITED STATES OF AMERICA HAVE BEEN FINANCED IN RECENT YEARS LARGELY THROUGH THE REPAYMENT OF THE FINNISH DOLLAR DEBT TO THE UNITED STATES OF AMERICA INCURRED UNDER THE ACT OF CONGRESS APPROVED FEBRUARY 25, 1919, WHICH DEBT WILL BE PAID IN FULL IN THE YEAR 1984; AND CONSIDERING THAT BOTH THE GOVERNMENT OF FINLAND AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA DESIRE TO ENSURE THE CONTINUATION BEYOND 1984 OF THE EDUCATIONAL EXCHANGE ACTIVITIES PROVIDED BY THIS AGREEMENT,"

2. MODIFYING THE FIRST SENTENCE OF ARTICLE 1 TO READ AS FOLLOWS:

"THERE SHALL BE ESTABLISHED A FOUNDATION TO BE KNOWN AS THE UNITED STATES EDUCATIONAL FOUNDATION IN FINLAND (HEREINAFTER DESIGNATED AS 'THE FOUNDATION') WHICH SHALL BE RECOGNIZED BY THE GOVERNMENT OF FINLAND AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA AS AN ORGANIZATION CREATED AND ESTABLISHED FOR THE ADMINISTRATION OF AN EDUCATIONAL EXCHANGE PROGRAM TO BE FINANCED BY FUNDS MADE AVAILABLE TO THE FOUNDATION BY THE GOVERNMENT OF FINLAND OR THE GOVERNMENT OF THE UNITED STATES OF AMERICA, OR BY THE TRUST FUND AS DESCRIBED IN PARAGRAPH 2 OF THIS ARTICLE."

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3. INSERTING AFTER THE FIRST PARAGRAPH OF ARTICLE 1 A NEW SECOND PARAGRAPH, AS FOLLOWS:

"THERE SHALL ALSO BE ESTABLISHED A BINATIONALLY ADMINISTERED TRUST FUND NAMED 'FINLAND-AMERICA EDUCATIONAL TRUST FUND' (HEREINAFTER DESIGNATED AS 'THE TRUST FUND') FROM THE ANNUAL PROCEEDS OF WHICH WILL BE FINANCED THE EDUCATIONAL EXCHANGE

ACTIVITIES BY THE FOUNDATION. THE BASIC ENDOWMENT OF THE TRUST FUND WILL BE CREATED BY THE GOVERNMENT OF FINLAND PAYING IN FULL IN DOLLARS IN THE YEAR 1976 ITS REMAINING DEBT OF 1919, WITH PAYMENT OF INTEREST TO DATE, TO THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA GRANTING THIS TOTAL PAYMENT TO THE TRUST FUND. THE TRUST FUND SHALL BE UNDER THE SUPERVISION OF A FOUR-MEMBER BOARD OF DIRECTORS; TWO MEMBERS SHALL BE APPOINTED AND MAY BE REMOVED BY THE UNITED STATES AMBASSADOR TO FINLAND; TWO MEMBERS SHALL BE APPOINTED AND MAY BE REMOVED BY THE GOVERNMENT OF FINLAND. THE TRUST FUND SHALL BE ADMINISTERED IN ACCORDANCE WITH THE BY-LAWS AS APPROVED BY REPRESENTATIVES OF THE TWO GOVERNMENTS AT THE TIME OF ESTABLISHING THE TRUST FUND."

4. MODIFYING ITEMS 1) AND 2) AT THE END OF ARTICLE 1, TO READ AS FOLLOWS:

"(A) FINANCING STUDIES, RESEARCH, INSTRUCTION AND OTHER EDUCATIONAL ACTIVITIES, AND NECESSARY TRAVEL, OF OR FOR CITIZENS OF THE UNITED STATES OF AMERICA IN SCHOOLS AND INSTITUTIONS OF HIGHER LEARNING LOCATED IN FINLAND; AND (B) FINANCING STUDIES, RESEARCH, INSTRUCTION AND OTHER EDUCATIONAL ACTIVITIES, AND NECESSARY TRAVEL, OF OR FOR CITIZENS OF FINLAND IN SCHOOLS AND INSTITUTIONS OF HIGHER LEARNING IN THE UNITED STATES OF AMERICA, PUERTO RICO AND THE VIRGIN ISLANDS."

5. NUMBERING THE PARAGRAPHS OF ARTICLE 1 (1) THROUGH (3).

6. AMENDING ARTICLE 8 BY INSERTING A NEW PARAGRAPH AFTER THE FIFTH PARAGRAPH, TO READ AS FOLLOWS:

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"IN ADDITION TO THE FUNDS PROVIDED FOR IN PARAGRAPHS ONE, THREE, FOUR AND FIVE ABOVE, THE AMOUNTS ANNUALLY RECEIVED FROM THE AFOREMENTIONED TRUST FUND SHALL BE USED FOR THE PURPOSES OF THIS AGREEMENT."

UPON RECEIPT OF A NOTE FROM YOUR EXCELLENCY INDICATING THAT THE FOREGOING PROVISIONS ARE ACCEPTABLE TO THE GOVERNMENT OF THE UNITED STATES OF AMERICA, THE GOVERNMENT OF FINLAND WILL CONSIDER THAT THIS NOTE AND YOUR REPLY THERETO CONSTITUTE AN AGREEMENT BETWEEN THE TWO GOVERNMENTS ON THIS SUBJECT, THE AGREEMENT TO ENTER INTO FORCE ON THE DATE OF YOUR NOTE IN REPLY.

ACCEPT, YOUR EXCELLENCY, THE ASSURANCE OF MY HIGHEST CONSIDERATION."

SIGNED: OLAVI J. MATTILA, MINISTER FOR FOREIGN AFFAIRS.

2. HERewith TEXT OF PROPOSED US REPLY:

"YOUR EXCELLENCY,
I HAVE THE HONOR TO ACKNOWLEDGE RECEIPT OF YOUR NOTE OF,
WHICH READS AS FOLLOWS:"

SEE TEXT OF PROPOSED FINNISH NOTE ABOVE

"I HAVE THE HONOR TO INFORM YOU THAT THE GOVERNMENT OF THE
UNITED STATES OF AMERICA IS IN AGREEMENT WITH THE CONTENT OF YOUR
EXCELLENCY'S NOTE AND AGREES THAT YOUR NOTE TOGETHER WITH
THIS REPLY SHALL CONSITTUTE AN AGREEMENT BETWEEN OUR TWO
GOVERNMENTS IN THIS MATTER.

ACCEPT, YOUR EXCELLENCY, THE ASSURANCE OF MY HIGHEST
CONSIDERATION."

SIGNED: MARK E. AUSTAD, AMERICAN AMBASSADOR.

3. SEPTel FOLLOWS RE PROPOSED SCENERIO.

AUSTAD

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CULTURAL EXCHANGE AGREEMENTS, PROGRAMS (PROJECTS), DEBT REPAYMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 22 JUL 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: WorrelSW
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975HELSIN01553
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750252-1151
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Margaret P. Grafeld
Declassified/Released
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06 JUL 2006

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Review Withdrawn Fields: n/a
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TAGS: SCUL, PFOR
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006